

State Representative Mike Sells

2010 Session Report

Spring 2010

This year's "short session" turned out to be longer than expected, which is quite rare. In the time I have served as your representative in Olympia, the Legislature has only been called for special session once, which was in 2007 to pass the property tax cap, and it was only for one day.

I have always felt that it's better to get a job done well even if it takes a little longer, than to do it quickly but badly. In the end, the budget we sent to the governor is balanced and reasonable; this means 75 percent cuts and 25 percent new revenue. You'll find details on the final budget in this newsletter.

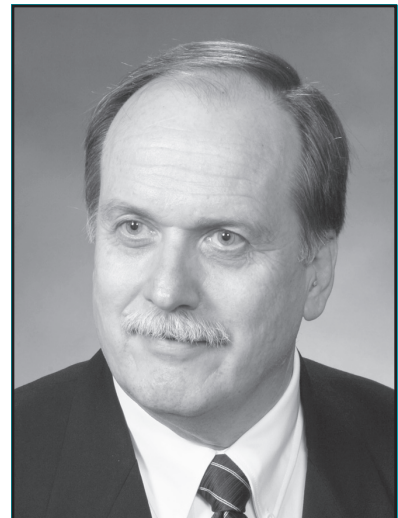
While there's no denying that the Legislature's primary task this session was to rewrite the budget to fill the new \$2.8 billion deficit, we also addressed many other issues. Inside this report you'll find summaries of some of the measures we took to create jobs, invest in higher education, and enact government reforms that will result in efficiencies and savings.

I appreciate the opportunity you have given me to represent you and, as always, if you want to get in touch with me, please call my office or send me an email; I will do my best to get back to you in a timely manner.

Sincerely,



Mike
State Representative
38th Legislative District



State Representative Mike Sells

District Office:

Everett Labor Temple
2812 Lombard Avenue
Suite 210
Everett WA 98201
(425) 257-2168

Olympia Office:

132B Legislative Bldg.
PO Box 40600
Olympia, WA 98504-0600
(360) 786-7840

Toll-free Hotline:

1-800-562-6000

TTY (hearing impaired):

1-800-635-9993

Email: sells.mike@leg.wa.gov

Website: <http://housedemocrats.wa.gov/members/sells/>

House Committees:

- Higher Education, *Vice-Chair*
- General Government Appropriations
- Transportation

Sign up to receive my E-memo:

<http://apps.leg.wa.gov/subscriptions/member.aspx?chamber=h&member=sells>

2010 Session Report

Tightening the belt

The world, our nation and Washington state are weathering the worst economic crisis since the Great Depression of the 1930s. Everybody has had to make adjustments to their budgets and state government is no exception.

Last session we confronted a \$9 billion revenue shortfall by adopting a budget that was balanced with \$3.3 billion in cuts, one-time federal stimulus help, and savings from the rainy day fund—no new taxes. Unlike 30 other states, Washington did not see any new taxes last year.

Some of the actions we took to balance the 2009 budget without new revenue included cutting 4,000 full time positions; passing prescription drug reforms that will save over \$60 million in reduced drug costs; eliminating numerous boards and commissions; cutting the Student Achievement Program from \$458 to \$99 per student for the academic year; and reducing the Basic Health Plan by 43 percent.

This year we were hit with another projected \$2.8 billion revenue shortfall. There were those who said that we should have just made more cuts to fill that hole. Every time we asked specifically what to cut, however, the result was something like the suggestions from members across the aisle on how to solve 1/5 of our budget problem by:

- Getting rid of the Disability Lifeline, which has about 20,000 people, of which 40 percent have a mental illness.
- Cutting an additional \$50 million from our state colleges and universities and either creating greater tuition hikes or cutting off programs to which students were already committed.
- Cutting \$70 million from our State Need Grant program, which would keep about 25,000 students from going to college.
- Eliminating the Basic Health Plan, which now serves 70,000 and has a waiting list of nearly 100,000 people.



Those cuts would have long-lasting and very damaging effects on our communities and our economy. And, they would only fill a very small fraction of the budget hole. Our economic recovery depends on an objective, reasoned approach, which is why in the end we balanced the budget by making cuts *and* raising some new revenue.

Legislators don't relish raising anybody's taxes, or putting people at risk by cutting off needed services. While some say that we didn't go deep enough in the cuts, others will say that we should have cut less and raised more revenue. We heard the passionate advocates and concerned constituents on these issues, and looked for a balanced approach of cuts and revenue increases that provided for a leaner state government that will still meet the most basic needs of our citizens and businesses.

Some of the things included in the budget that we risked losing without new revenue:

- 16,000 children will keep their health care coverage through the state's Apple Health program.
- 60,000 low-income working adults will be able to stay on the state's Basic Health Plan rather than being uninsured.
- 12,000 students won't lose their state-funded college financial aid, allowing them to stay in school.
- 42,000 seniors and disabled adults will be able to remain in their homes rather than being forced into institutions.
- Class sizes for children in Kindergarten through 4th grade will not increase.
- 50,000 women with high-risk pregnancies won't lose crucial prenatal medical care.
- 2,600 dying patients across Washington won't lose their hospice care.
- Thousands of seniors will continue to receive nourishment through the Meals on Wheels program.

For more details on the budget, please go to:
<http://leap.leg.wa.gov/leap/default.asp>

Be sure to visit my website at
www.housedemocrats.wa.gov/members/sells/

where you'll find information on issues that matter to our community.



Setting the record straight

When it comes to state employees—keep in mind that we're talking about teachers, corrections officers, caseworkers—there is a lot of misinformation out there. Your public servants have also tightened their belts. **State workers have been part of the solution:**

- More than \$330 million in wage and health-benefit cuts have already been imposed upon the people who make the state of Washington work.
- State employees making \$40,000 a year have already given up COLAs for at least two consecutive years — in fact, they have not had cost-of-living adjustments in five of the past 10 years.
- Since the beginning of the fiscal year, state employees have taken more than 31,000 hours of leave without pay in connection with reductions in force.
- Since January, on average, state workers are now paying \$1,100 more annually for health care.

The downside, of course, is the cuts in service, the people added to unemployment rolls, and the payrolls not circulating to help grow the economy. State employee unions, representing their members, have stepped forward to help the state meet the economic crisis despite a public bashing in the media and elsewhere.

And the Legislature?

The budget for the Legislature, right along with the budgets for all other state agencies, was pruned back dramatically this biennium. The House of Representatives reduced its budget by \$6.5 million for the two-year fiscal period that ends June 30, 2011. Other cuts included representatives' constituent outreach budgets, which were reduced by more than half-a-million dollars, and *per diem* rates were also reduced by 10 percent. Additionally, salary freezes were implemented for all House employees; there was a five-percent reduction in permanent staff, and employees are required to take 40 hours of unpaid leave per fiscal year. Additionally, many House employees are also taking voluntary furloughs over their required 40 hours.



Fewer Boards and Commissions

The legislature took a close look at state boards and commissions it had to maintain, and which could be eliminated. Last year, 17 boards were shut down, and this year that number was tripled. After a comprehensive process, approximately 50 boards and commissions were eliminated for a savings of close to \$500,000 per year.

The ferry workers issue



Remember reading a story about ferry workers getting reimbursed thousands of dollars for mileage and traveling time to and from terminals? The issue needed fixing right away. Because the

Ferry Workers' Union came forth willing to work with us on a solution, we moved ahead to deal with the problem. A new law, enacted the last week of March, brings collective bargaining and arbitration processes for ferry workers in closer alignment with those for other state workers. It gives the governor a stronger hand in negotiating with ferry workers' representatives.

Protecting existing Jobs, creating new ones

On March 26, the governor signed into law a bill that protects manufacturing jobs in our region. The measure, which I sponsored in the House, is a sales tax exemption for wax and ceramic materials used to make molds for certain castings used in industrial applications. This new law will allow SeaCast, a foundry located in Marysville, to keep its workforce of over 180 employees. By helping to keep its doors open and its workers employed, the foundry's products will continue playing an integral role in numerous industries, including aerospace.

Other steps taken this session to improve our business climate, incentivize industries where there is job growth, and make smart investments that will lead to jobs now and down the road, include:

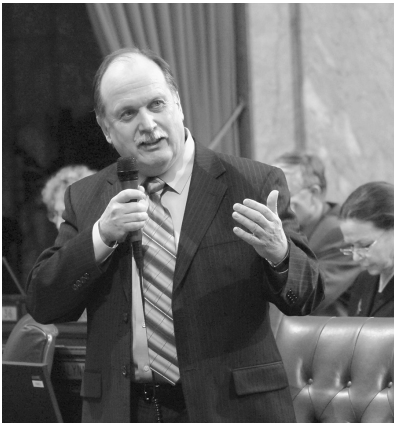
• Building data centers in Washington

The goal of this tax exemption is to have high-tech companies build the next generation of data centers here in Washington State. These projects will generate around 3,000 jobs and income for areas hit hard by the economic downturn.

State Representative Mike Sells

• Washington Works Housing Act of 2010

This new law, which will enable moderate-income people to live near where they work, will create about 5,500 jobs. The Washington Works Housing act directs the Housing Finance Commission to invest up to a billion dollars in an innovative new program to build community capacity in workforce housing.



• The Jobs Act of 2010

The first bill we passed this session was the Jobs Act of 2010, a measure that, if it is approved by the voters in November, will create 30,000 construction jobs all over the state while repairing public schools and universities, and

making them more energy-efficient. The Jobs Act will also save taxpayers \$190 million a year in energy costs, and I was proud to speak on the House floor for its passage.

• Ensuring our aluminum companies stay open and viable

The jobs that aluminum plants provide are very important to their communities. In this recession we can't afford to lose these good jobs. This bill provides tax relief to the industry through 2017 and is estimated to create 500 jobs.

• Creating jobs and encouraging conservation

In a win for jobs and conservation, we doubled—from 10 to 20 years—the payback period for energy-conservation and water-conservation loans provided by public utilities. By helping to tear down financial barriers to conservation projects, we'll help put contractors back to work and construction workers back on the job.

Moving Higher Education forward

This session I sponsored a bill that, subject to available funding, would allow Everett Community College's University Center (in conjunction with UW Bothell) to offer a Bachelor of Science in Nursing program for up to 50 full-time students. The bill got stuck in the Senate, but I worked to get funding in the House's 2010 operating budget for approximately 25 full-time students.

I also managed to amend this year's operating budget by \$1.75 million for the State Board for Community and Technical Colleges. With this funding the colleges will be able to contract with the Aerospace Training and Research Center on Paine Field to support training in the aerospace sector. The continued future of aerospace in this area depends on a well-trained and educated workforce.



Printed on recycled paper

PO Box 40600
Olympia WA 98504-0600

State Representative
Mike Sells

2010 Session Report to the 38th District

PRSRT STD
US POSTAGE PAID
WA STATE DEPT
OF PRINTING 98501